



Beer business

Speaker: Tornike Nikolaishvili, CEO

Georgia Capital Investor Day
27 June 2019

Content

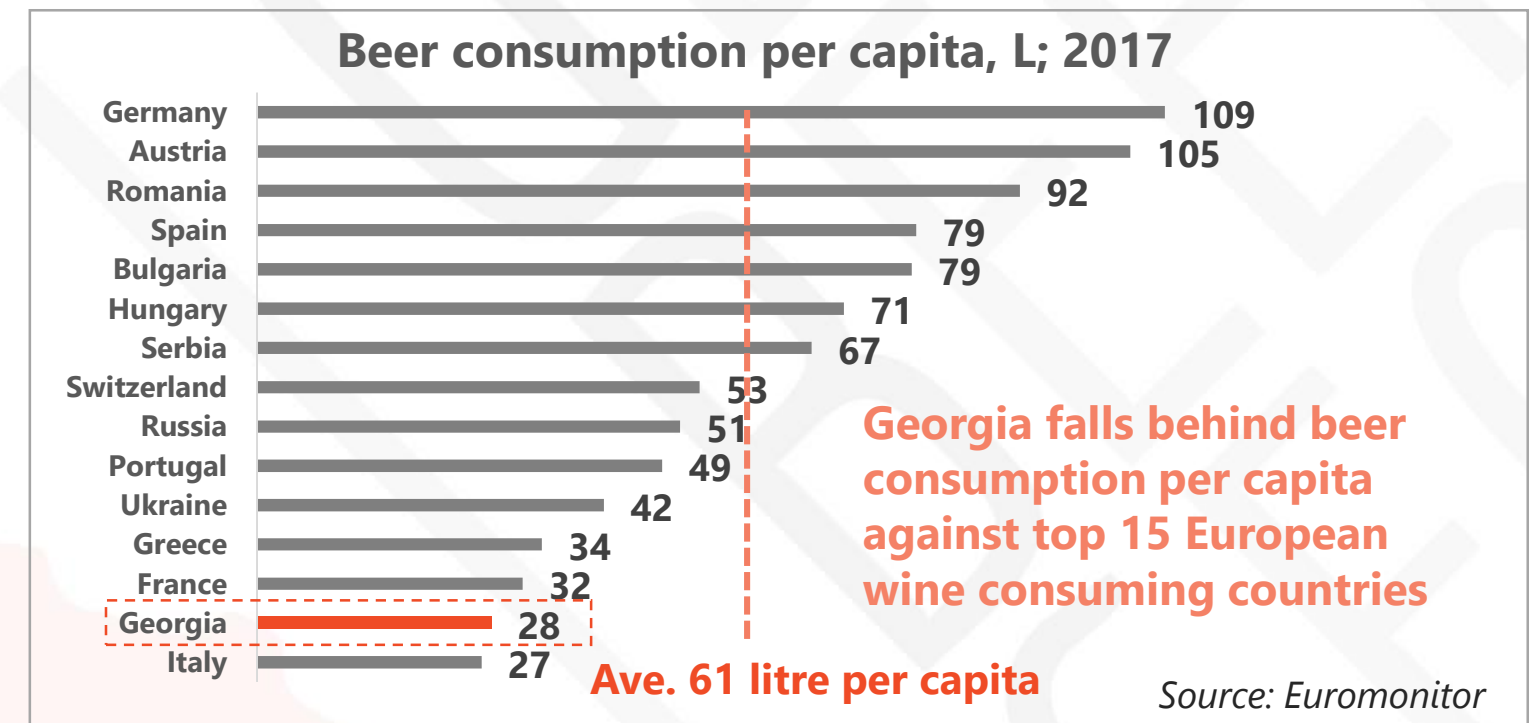
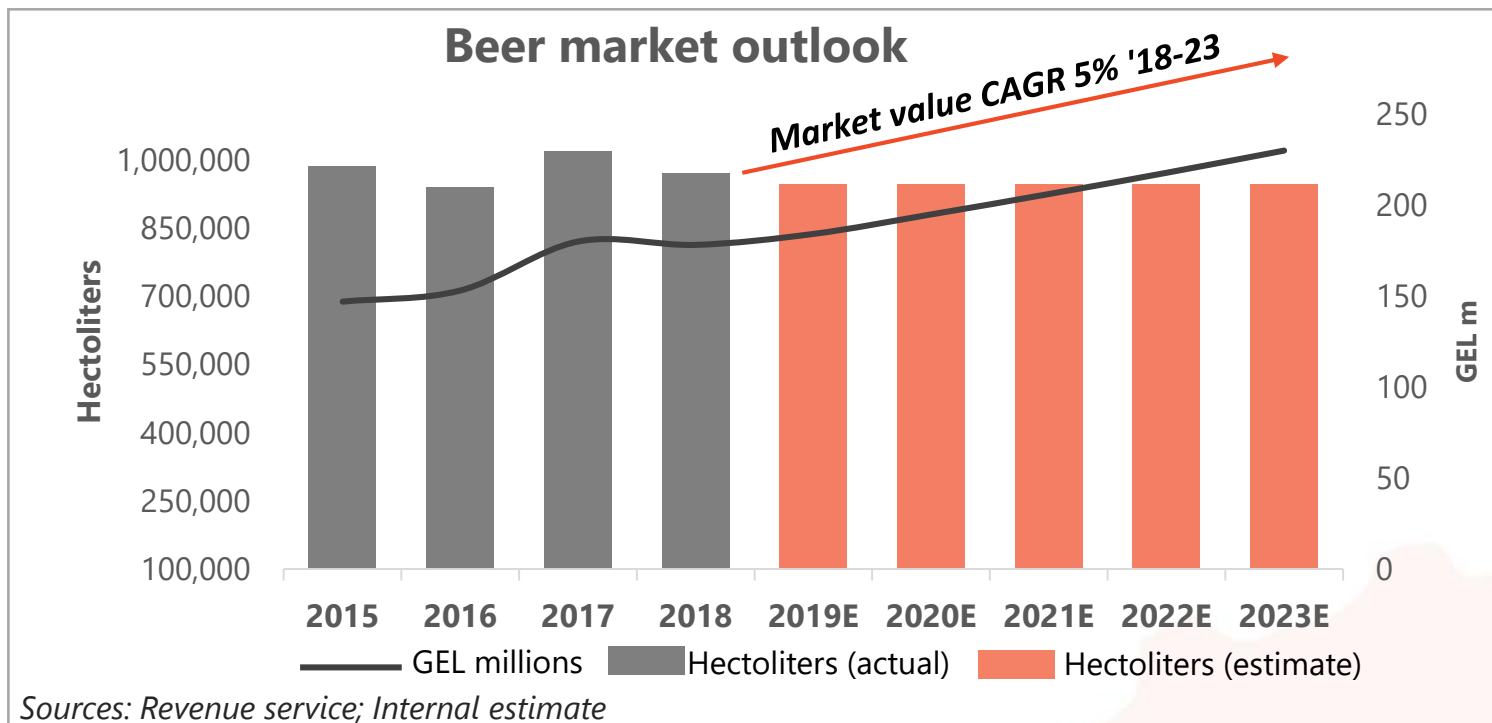
1. Market outlook

2. Beer business overview

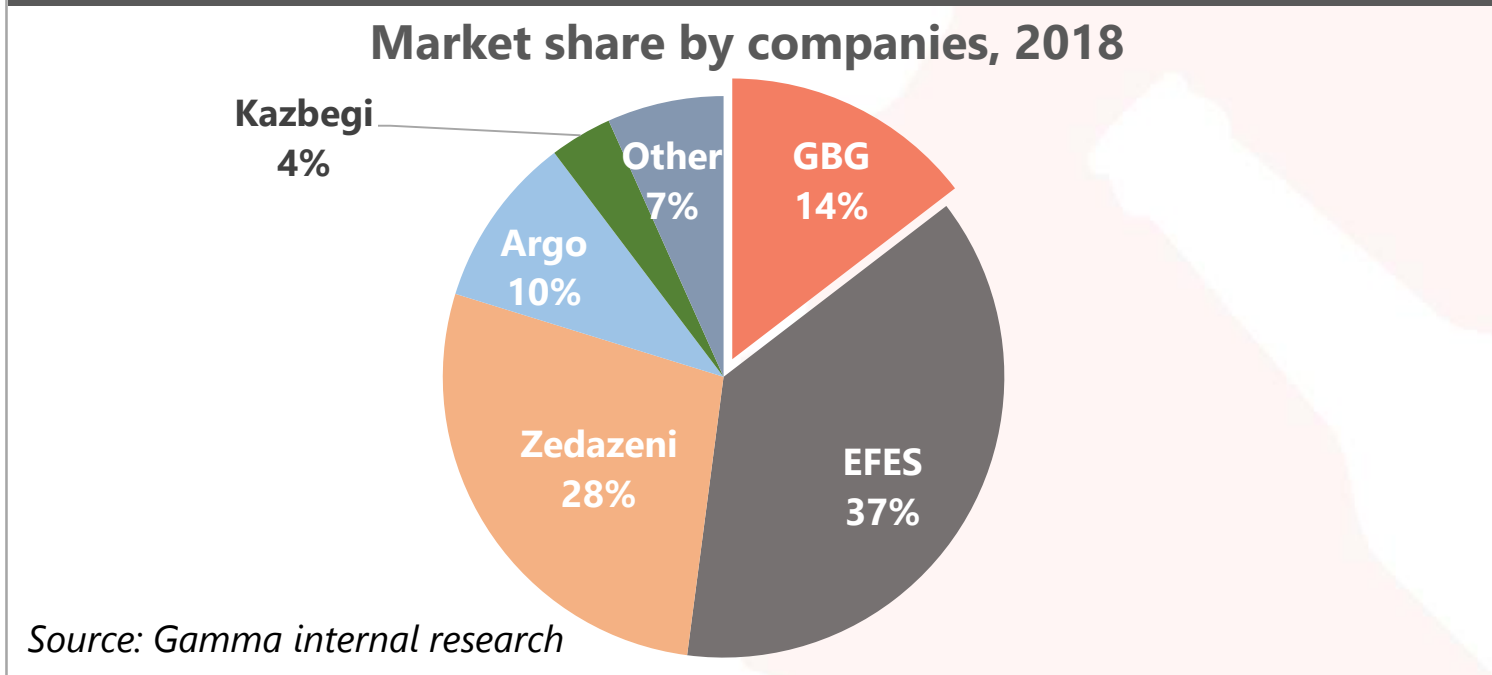
3. Strategy and operating performance

Beer market overview

Beer volume market forecast is stable amid price increase expectations y-o-y; however per capita consumption relative to other countries hints room for volume growth



Highly competitive market with five players in 2018



Strong export market for carbonated soft drinks (CSD)

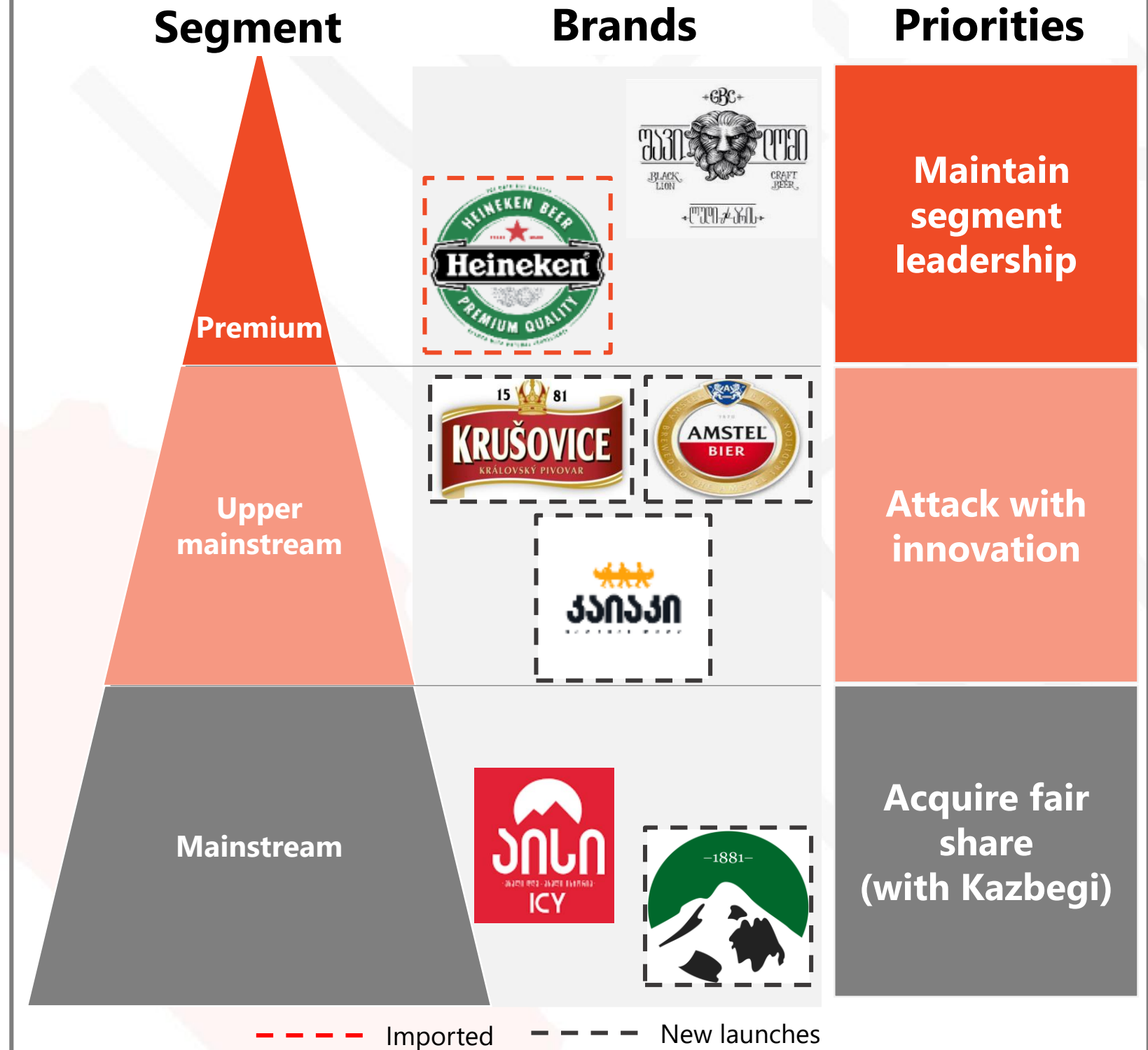
- ### Growing market
- Export value of US\$ 26.5mln (41.8mln litres) in 2018.
 - 50%+ CAGR over 3 years; greater organic demand from CIS countries.
 - 50%+ market share held by Efes.
- ### Export in more than 25 countries
- 90% of sales concentrated between 4 countries (Azerbaijan, Russia, Armenia, Kazakhstan).
 - Recently more countries have been importing Georgian CSD, showing its growing popularity.

Beer business highlights

Key facts

- 
4Q17: Brewery commences full operations
- 
1Q18: Acquisition of leading Georgian craft beer producer, Black Lion LLC
- 
3Q18: C-Level management restructuring
- 
4Q18: First Lemonade and beer export
- 
Apr-19: Acquisition of Georgia's oldest beer brand – Kazbegi; also launched Kazbegi lemonade
- 
May-19: Krusovice full scale launch
- 
May-19: Local light beer launch
- 
Jun-19: Heineken brand Amstel launch
- 
Jun-19: Received Heineken commercial brew license

Beer portfolio overview



Beer business strategy

Core strategy

Price increase

Sales focus on upper
mainstream segment

Sales mix focus to
high profitable SKUs

Hedging budgeted profitability

Core-hedging

Additional export
opportunities

Vertical
developments

Product
diversification

Boosting market share with new launches

Half-year* performance

HL	1H18	1H19
Beer	65,139	85,575
Lemonade	10,943	11,779
Total	76,081	97,354

→ +28%

June* performance

HL	Jun-18	Jun-19
Beer	19,494	32,418
Lemonade	1,329	3,377
Total	20,823	35,795

→ +72%

Increased market share with new launches

- Focused on launching new brands within the first five months
- We expect to see the full effect of new launches from July 2019
- June 2019 sales is close to 100% brewing capacity
- **Undisputed leader in premium and draught business**

Sales, GEL '000

Beer	13,858	23,227
Lemonade	1,123	1,577
Total	14,981	24,805

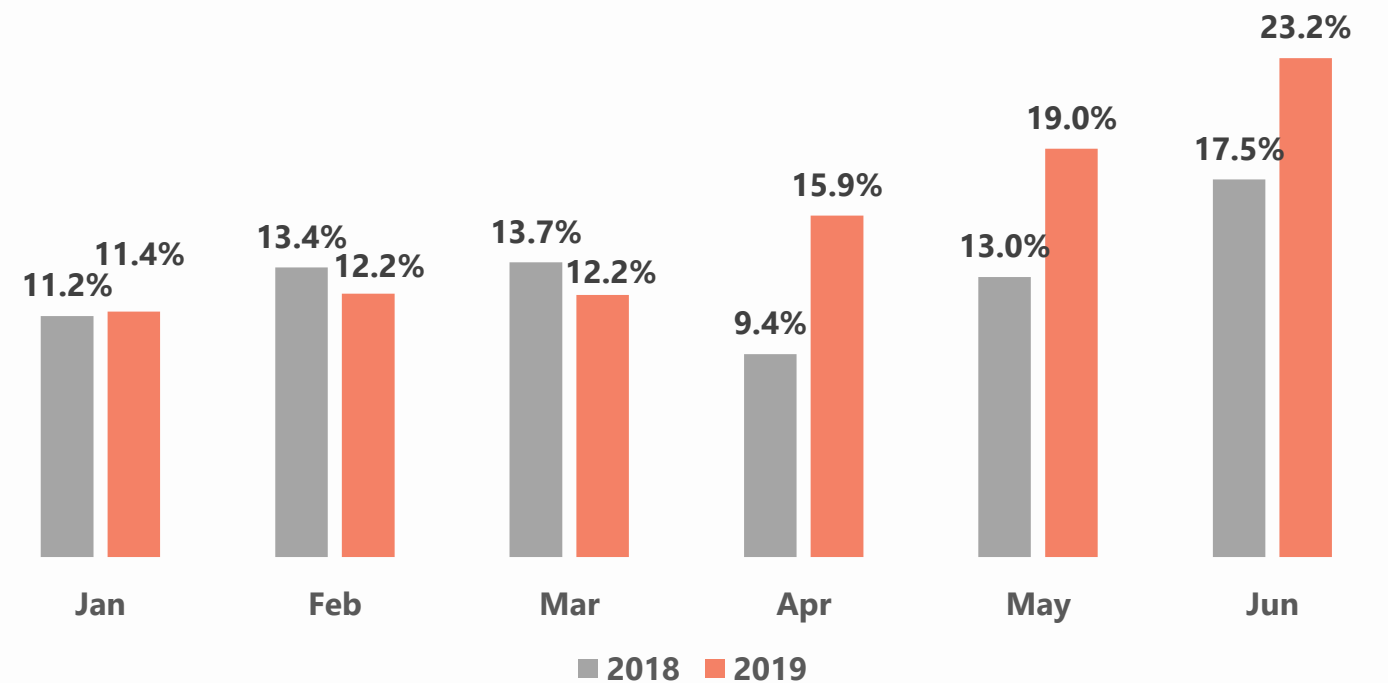
→ +66%

Sales, GEL '000

Beer	4,088	8,818
Lemonade	132	453
Total	4,220	9,271

→ +120%

GBG beer volume share trend | 2018-2019



* Half-year includes rolling estimate (RE) for the month June, 2019

Five-year organic growth strategy

	2018A	2023E	Growth Strategy Drivers
1 Sales Volume, HL	159,825	2.5x	1 Increase footprint in HORECA
2 Revenue, GEL mln	29.3	2.5x	2 Enhancing recently launched Kazbegi lemonade
3 EBITDA, GEL mln	(13.8)	>18	3 Enhancing coverage of newly launched upper-mainstream brands
4 Net Debt, GEL mln	66.9	<64	4 Increasing export sales in CIS countries
5 ROIC*	-22.0%	>10%	5 Development of non-beer brands
6 Market Share	14%	>30%	

*ROIC is calculated as EBITDA less depreciation divided by aggregate amount of total equity and borrowed funds.

Questions?

Forward looking statements

Disclaimer

This presentation contains forward-looking statements, including, but not limited to, statements concerning expectations, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, plans or goals relating to financial position and future operations and development. Although Georgia Capital PLC believes that the expectations and opinions reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations and opinions will prove to have been correct. By their nature, these forward-looking statements are subject to a number of known and unknown risks, uncertainties and contingencies, and actual results and events could differ materially from those currently being anticipated as reflected in such statements. Important factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements, certain of which are beyond our control, include, among other things: currency fluctuations, including depreciation of the Georgian Lari, and macroeconomic risk; regional instability; regulatory risk across a wide range of industries; portfolio company strategic and execution risks; investment risk and liquidity risk and other key factors that indicated could adversely affect our business and financial performance, which are contained elsewhere in this document and in our past and future filings and reports and also the 'Principal Risks and Uncertainties' included in Georgia Capital PLC's Annual Report and Accounts 2018. No part of this presentation constitutes, or shall be taken to constitute, an invitation or inducement to invest in Georgia Capital PLC or any other entity, and must not be relied upon in any way in connection with any investment decision. Georgia Capital PLC and other entities undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing in this presentation should be construed as a profit forecast.